



SPECTRUM CONSTRUCTORS, INC.

June 23, 1995

K. Hovnanian Companies of NJ, Inc.
65 Jackson Drive
Cranford, NJ 07016-1191

Attn: Mr. Steve Sky
Re: Society Hill @ University Heights

via Fax & Mail

Dear Steve;

Based on the information you recently provided us, we have completed our reconciliation of the balance due on our contracts. When we spoke on the phone, you indicated that even though we were billing the project under two separate job numbers, you were still considering them as one contract. Therefore, on our reconciliation sheet, we have shown the billings separated by job, however, the debit memos have been deducted from the total balance due on both projects.

Please note at the bottom of the schedule there are two open issues which must be resolved concerning adjustments to our billings by Hovnanian.

Kindly review the enclosed schedule at your earliest convenience and let us know whether you agree with the figures.

I know that you met with Bob Sierbinski and Bob Gamba on Friday to review the status of work completed to date. This will enable us to have a clear definition of where Spectrum's responsibility ends and Contour's begins.

Once the foregoing issues have been settled, all that will remain to be addressed is the assignment agreement. Since we will merely be revising the agreement executed for the Jersey City Project, we should be able to generate a final draft quickly.

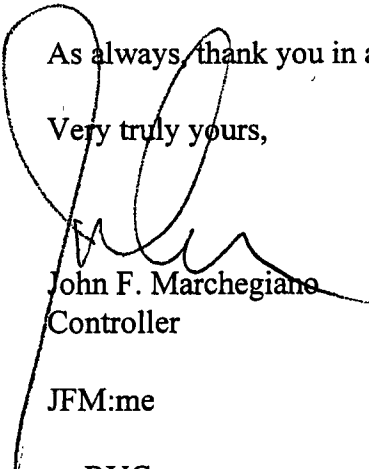
We would like to establish July 7, 1995 as the target date for execution of the assignment and release of the balance due Spectrum.

KHOV002788

Mr. Steve Sky, K Hovnanian
June 23, 1995
Page 2

As always, thank you in advance for your cooperation.

Very truly yours,



John F. Marchegiano
Controller

JFM:me

cc:RVG
R. Sierbinski

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